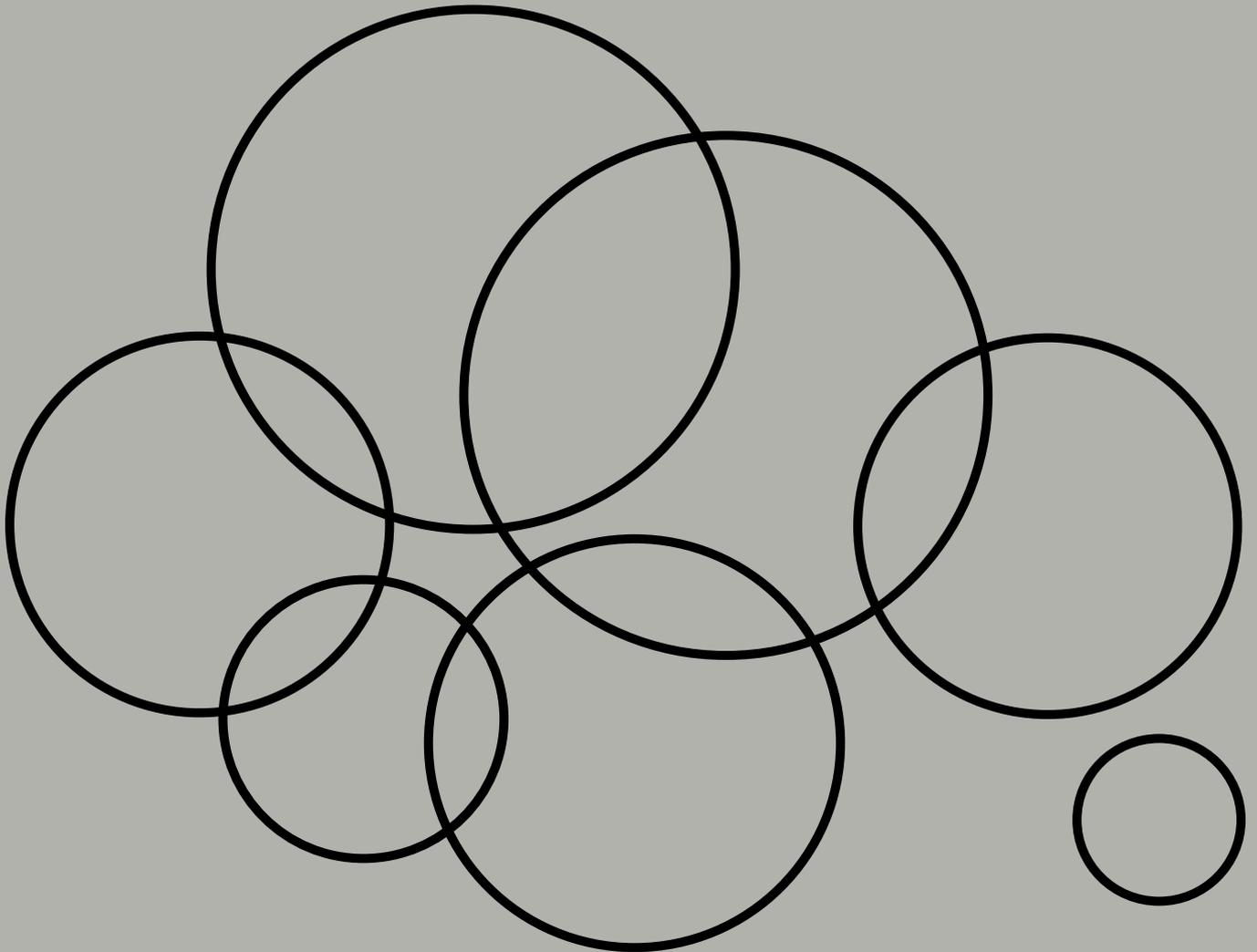


Agile Procurement: Supporting transformation through data transparency



Public Practice is a not-for-profit social enterprise with a mission to improve the quality and equality of everyday places by building the public sector's capacity for proactive planning.

10% of the year-long placements is dedicated to a Research & Development programme to share new knowledge and practice across authorities. This resource is one of the outputs of this programme.

AGILE PROCUREMENT: Supporting transformation through data transparency

This case study is based on a project carried out as part of a year-long placement as a Programme Manager within the Greater Cambridge Shared Planning Service (GCSPS) between Autumn 2019 and Autumn 2020. It explores one example of how using simple cloud-based technologies, to make business data more transparent, helped to support organisational transformation based on evidence. It also considers how allowing for change and innovation within strict public sector procurement frameworks enabled the team to realise the business benefits for the project ahead of expectations. The case study then sets out lessons which might be applicable for a range of other scenarios. This note is aimed at both individuals in senior management leading change in an organisation as well as those directly involved in creating briefs for tender.

THE BRIEF

In order to be effective, planners need time to practise their profession. Often corporate processes and demands take time away from professional duties, creating conflicting priorities and demands on staff time. Planners deserve to be supported by intelligent, agile business processes.

The GCSPS has circa 160 employees, all of whom track their time via individual excel spreadsheets. Collating and analysing this data is manual, time consuming, error prone and slow. By the time the data has been collated by hand it is often at least one month out of date. The primary goal of this project was to deploy cloud-based software to allow staff to easily record time spent on tasks and activities. Capturing this data instantly to a shared database would enable accurate, real-time reporting on key staff tasks and areas of activity and therefore enable more accurate invoicing, inter-departmental cost recovery, resource planning, budget tracking and financial modelling. This data would enable an historical view of the team's activities and would need to be balanced with forecasting tools to allow the planning service to plan proactively. Hence, the project team was tasked with finding a software solution to provide 3 functions for GCSPS: time sheeting, resources planning and enterprise financial modelling.

CHALLENGES

The project had three main challenges:

- Strict public procurement rules
- Limited financial and team resources
- Legacy software and resistance to change

Local Authority procurement rules for goods and services are governed by the Public Contract Regulations 2015 and European OJEU procurement rules for higher value contracts. The public procurement environment aims to be strict, transparent, ethical and fair. However, due to regulatory and other financial thresholds, overly prescriptive qualification criteria, poorly written tender specifications and prohibitive resource requirements, the rules often favour larger established companies over small and medium-sized enterprises (SMEs).

By reducing access of SMEs to public procurement innovation may be stifled and contracts are often awarded to the same companies. A question for the project team was – how could public procurement allow for change and continuous improvement?

The GCSPS is governed by the South Cambridgeshire District Council's Procurement Thresholds for goods and services, which are as follows:

- Total contract value £5,000 or under requires 1 quotation and is at officer's discretion.
- Total contract value between £25,000 and £5,001 requires 3 quotations and must be let to the best value offer.
- Total contract value above £25,001 requires public Invitation to Tender (ITT).
- Higher value contracts subject to OJEU rules.

The total contract value must take into account the cost of the product or service over the expected lifetime of the contract. It is easy to accidentally break thresholds if contract lifetime is not considered. For example, a £2,000 per annum contract cost would mean a total contract cost of £6,000 if the expected life of the contract was 3 years meaning it would break the first threshold requiring 3 quotations to be received and considered before the contract is let. Contracts for the procurement of software should be considered over at least a 3-year period.

An early discussion with the South Cambridgeshire District Council Procurement Officer quickly led to the realisation that had we followed standard practice, assuming the solution would be above £25,001 and written an Invitation to Tender (ITT) to simply set out our requirements and issued this for tender the market would most likely have provided a selection of very expensive 'enterprise suites'

supplied by the 'usual suspects' – large established software companies with well-financed sales team who have departments setup just to respond to public sector ITTs. They would have all recommended a single tool that could provide the three main functions described in the brief, costing millions of pounds and taking 3-5 years to procure, implement and train staff.

Indeed such an 'enterprise suite' was noted as being in procurement by the Human Resources team and their current project estimate is as above. Our project had very limited resources, due to COVID-19 and other planning delivery pressures and as such we concluded that a standard ITT was not an option for the successful realisation of the project.

We also had to consider other 'blockers' following procurement, such as our overstretched IT department, whose forward plan of new projects is full at least 6-12 months into the future. Requiring them to deploy and maintain software across the department might result in a 6-12 month delay.

Another challenge was the fact that legacy software timesheet tools already existed in some areas of the Council, so there was likely to be resistance to change from those members of staff who were used to that way of working. This could be addressed through clear communication about the benefits of the new system and engaging with these members of staff early to address their concerns.

To address these challenges the project team looked for solutions that might provide better 'value', quicker implementation (so data could be collected sooner and acted on earlier) and perhaps provide a degree of innovation to the process.

ACTIONS

In considering what is the quickest and most resource efficient way to test the main hypothesis of the brief and realise the core business benefits (i.e., the tracking and analysis of data on how staff spend their time) we decided to split the project into smaller, manageable pieces and then iteratively experiment and design a system that would meet the overall needs of the project.

The project team members have a background as former users of these tools and therefore were ready to act as 'senior users' to test candidate software, along with a small number of project champions from each department. We broke down the brief into the three component functions; timesheet, resources planning and enterprise financial modelling.

Starting with the timesheet function, we directly explored software options for each component part, comparing and analysing the

features of each and through experimentation developed an evolving essential features list, to use as a checklist against which to test each piece of software and inform our final choice. 30 plus individual software solutions for the timesheet function were tested by the team and all but one was discarded.

The questions we asked of each product were:

	CAN THE PRODUCT...	RESPONSE
A	Provide all the features we require that will make it easy to use and therefore more likely to be adopted consistently and enable efficient workflows and processes?	This was achieved through comparison with and iterative development of an essential features list through product testing.
B	Be procured quickly and with limited resources?	The product must cost under £5,000 over 3 years to enable direct procurement.
C	Be flexible and innovative?	The product must be low cost (in terms of overall investment required, in training and annual licensing costs) to prevent lock-in to one supplier and enable change to another better product if desired in the future.
D	Be deployed quickly across multiple devices?	The product must be outside the scope of the in-house IT department to install and maintain. Therefore the tool must be a web-based application with a mobile phone version of the application.
E	Communicate with the other components of the overall project? (Resource planning and financial modelling tools)	The product must have an open API (application programming interface) to enable data to be shared freely.
F	Be scalable to allow use by other departments?	The product must have a tiered charging structure, which is not based on numbers of users (thereby breaking the procurement thresholds as it scales).

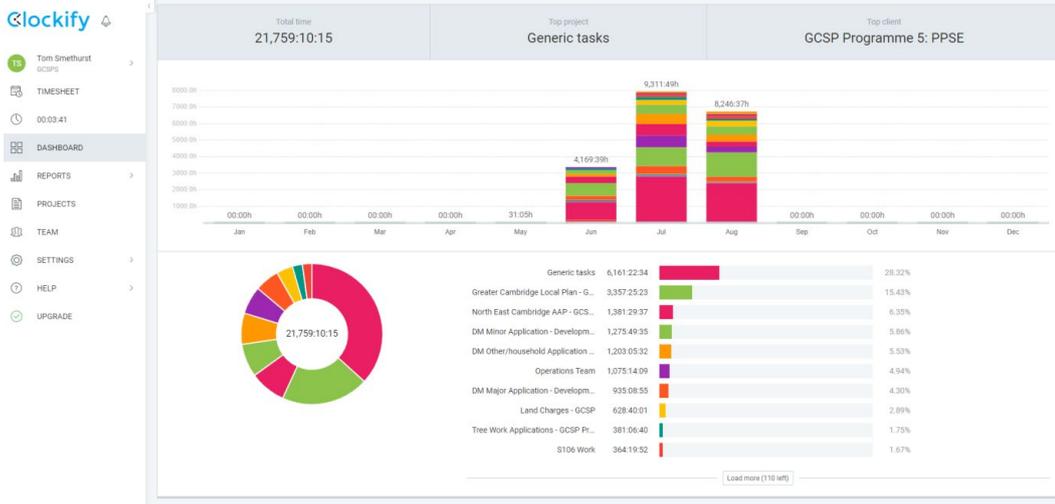
We also ensured that each product complied with all data protection and security features required by the Local Authority's IT department policies.

The testing process yielded only one suitable candidate, Clockify, which met all our criteria. A business case was prepared for the product outlining how the product would provide the business benefits stated in the project brief was to be procured and would be implemented and supported moving forwards without the help of the IT department. This was taken to the senior management board of the planning service for approval to procure directly as the expected service contract value was only £750 over 3 years.

OUTCOMES

The outcomes of the first phase of the project (timesheet software) were (as of September 2020):

- **TIME SAVING**
The timesheet software solution was implemented between 6 months to 3 years ahead of schedule or expectations
- **COST SAVING**
The GCSPS saved anything from £50,000 to £2.5 million over more established corporate solutions.
- **EASE OF USE**
The training for 150 staff, to use the software, was completed within 1 month with a 70 % adoption rate. Within two months nearly all staff had regularly adopted the tool as well as a number of other associated departments who appreciated its simplicity.
- **QUICK ITERATIVE FEEDBACK**
A report was brought to the senior management board to show the initial user data obtained within 2 months of procurement and enabled discussions on protocols for how that data was to be used, collected and decisions made moving forwards.
- **CULTURE CHANGE**
Enabling staff to collect and review data on how they work has made them more conscious about what they are doing. It has enabled project managers to have greater autonomy and immediate feedback.
- **EVIDENCE BASED INTER-DEPARTMENT RECHARGING**
Large resource hungry inter-departmental projects are being quantified and time is being recharged between teams. This leads to a more conscious use of team resources.
- **COST RECOVERY**
The data has highlighted and evidenced the deficit of time charging for work which is cost recoverable (for example on Planning performance Agreements) and has helped to make a business case for the recruitment of key roles in a financially difficult climate.
- **INSIGHTS**
The data has shown that presently nearly 28% of all officer time (in the first three months) was logged against 'Generic Tasks', a basket which includes 1-2-1s, training, admin, emails, team meetings, complaints, etc. This data has helped to spark conversations about service improvement and management practices.



Screenshot showing Clockify software dashboard with time-tracking analysis

RECOMMENDATIONS

Based on the process described above, the following recommendations should be considered when embarking on a similar agile procurement project:

- **SELECT THE RIGHT TOOL**
The right tool can simply remove layers of unnecessary bureaucracy from a process freeing the data to be used constructively.
- **AGILE PROJECT MANAGEMENT**
Agile project management can help enable change through iterative pilots, proving a concept and building a culture around a new tool or process.
- **ACCEPT UNCERTAINTY**
Not knowing the final answer from the start and testing and learning as you go is perfectly acceptable. Instead, build in methods for change or future expansion (in this case we required each component to have open APIs and be low cost with just an annual subscription).
- **HOSTED SOLUTIONS**
Open source solutions can seem ideal, but they push costs for deployment and maintenance in-house which can be more expensive than hosted solutions which can take advantage of low cost, scalable hosting solutions from the big tech companies.
- **TEST IT YOURSELF**
Why pay someone else to test and recommend something to staff when they should know best? By spending two weeks testing and evaluating software ourselves we cut out additional consultants.
- **EARLY ENGAGEMENT**
Early engagement with Procurement Officers is essential to understanding the complex public procurement environment and to develop a flexible strategy for achieving the project goals whilst also protecting the organisation.
- **START SMALL**
If the expected end result represents a huge investment for the organisation, in procurement, training, ongoing licensing and staff costs etc, test ideas and practices through small scale pilots or low cost alternatives to prove the concept and build a culture around a tool or idea that can be scaled justifying a greater level of investment in the future. Treat the business case as an evolving document.
- **UNDERSTAND LIMITATIONS**
Be clear about the limitations of the pilot. Handover the tool to the 'Business as Usual' team with an issues log, highlighting any risks that need to be reviewed and the timeframe for review.

— ENGAGE WITH STAFF

Manage perceptions of change and increased scrutiny within the organisation. Engage early with staff, explain and demonstrate the purpose of the tool and the opportunities it offers.

BROADER LEARNINGS

The lessons learned from this agile procurement process have broader implications and raises key questions about the potential for Authorities to be more nimble in their approach to a range of procurement activities:

— APPLYING AGILE PROCUREMENT TO PLANNING

An agile procurement approach that enables innovative niche 'best in class' suppliers to tender for work against established firms who offer multiple services might also be applied as a procurement strategy for other scenarios, such as for design services, or building work. The breaking down of a large multi-billion pound masterplan into many smaller packages within a framework might give younger or smaller innovative architects and developers (who can't meet insurance or turnover requirements) the chance to prove themselves and deliver a higher quality overall end product, or meet other wider goals, such as community wealth building.

— RECALIBRATING PROCUREMENT THRESHOLDS

Cloud-based software as a service (SaaS) solutions are now ubiquitous, with capabilities that were impossible 5-10 years ago. Now a whole Local Authority can have a new transformative software tool for £250 per annum. Local Authority procurement thresholds need to reflect this. Thresholds could perhaps be based on the 'reach' and 'impact' of a tool within the organisation, not just its monetary value.

— USING DATA BETTER

Making workforce data available has sparked conversations around other sources of data that the Council holds and how this data could be used to improve business operations, two possible scenarios are:

1. Housing monitoring. Joining up planning applications, council tax, building control, section 106, housing strategy and other departmental datasets around the same topic could build a picture of the lifecycle of developments and provide a strategic overview of development in the District. We already create and collect the data it is simply that our data practices need to be reviewed and aligned to provide the strategic benefits of a coherent dataset.

2. Local Plan evidence collection (in a similar manner other datasets which inform the Local Plan could be collected more efficiently, perhaps from planning applications, traffic data or other sources. Having constantly available and up to date data will become even more relevant if we move to the Government's proposed 3-year cycle of Local Plan production).

NEXT STEPS

This Case Study has investigated the process of procuring a cloud-based time-tracking software in an efficient way that avoids the usual pitfalls of such processes – towards the tracking of data that can lead to organisational improvements. The project suggests a number of ways these lessons could be applied to other aspects of an Authority's work. To take these learnings further, following area would benefit from further development:

- Explore other data sets the Council holds towards better, more efficient monitoring. In particular, a business case could be developed for a project to automate the collection of housing monitoring data a Council holds.

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PUBLIC PRACTICE
Urban Innovation Centre
1 Sekforde Street
London, EC1R 0BE, UK

www.publicpractice.org.uk
info@publicpractice.org.uk

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Officers in Local Planning Authorities work with and create new data on a daily basis. New cloud-based tools offer opportunities to manage data more effectively and drive digital transformation. However standard approaches to procurement often result in IT solutions that are slow, unwieldy and expensive. This case study illustrates how taking a more agile approach to procurement can use data more transparently, save time and money, and support organisational change.

The case study is based on the experience of procuring a time tracking tool to enable accurate, real-time reporting on key staff tasks and areas of activity. It shows how finding an efficient and unobtrusive way of identifying how colleagues' efforts are spent can help manage programmes of work across departments and Authorities. Through this process wider lessons have been learnt which have applications to procurement more broadly, as well as the potential to improve business operations through the application of data held in diverse operational functions.

#Agile #Digital #Procurement #Resourcing

Practice Notes and other resources are available to download at www.publicpractice.org.uk/resources